

25 February 1953

OPM 20-645-3

PERSONNEL DIRECTOR MEMORANDUM NO. 9-53


SUBJECT: Payment for Accrued Annual Leave

1. The Lump Sum Leave Act (P.L. 525 - 78th Congress) authorizes payment in a lump sum for all accumulated and accrued annual leave to which an employee is entitled under existing law upon his separation from the Federal service. However, the Act also provides that if he is again employed under the same leave system prior to the expiration of the period covered by such lump sum payment, he must refund to the employing agency an amount equal to the payment received for the period between the date of his reemployment and the expiration of the leave period. In such cases, the employee is credited by the employing agency for the period of leave covered by the refund.

2. All individuals in the Personnel Office who are concerned with the processing of appointment actions are cautioned to be especially careful in applying this requirement. Whenever a person who has prior Federal service is appointed to a position in this Agency, the dates of his most recent employment will be checked and a determination made as to whether he has received a lump sum leave payment which would cover a period extending beyond the date of his appointment in the Agency. If the refund provision cited above is applicable to any case, appropriate action will be taken to obtain proper refund. The Special Processing Section of the Transactions and Records Branch, PD(C), will pay particular attention to this requirement in processing cases involving conversion from staff employee to staff agent status.

3. The fact that refund is not required unless reemployment is effected under the same leave system could, nevertheless, result in a violation of the spirit of existing regulations. The fact that an employee whose employment is continued on a contract basis or by a short term return to active military duty would be eligible for a lump sum leave payment does not in itself suggest abuse. However, the Special Contracting and Allowances Staff and the Military Personnel Division will each exercise particular care in cases processed in their jurisdictions to assure that neither of these devices is used for the purpose of obtaining a lump sum payment for an individual whose employment will then be continued without proper refund.

*Reviewed by
OPM 20-645-8
(89-54) 13 Dec 54*


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